

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE CASH MARKETS (10/28)**

BUTTER: Grade AA closed at \$1.5775. The weekly average for Grade AA is \$1.5925 (-.0433).

CHEESE: Barrels closed at \$1.3500 and blocks at \$1.4000. The weekly average for barrels is \$1.3970 (-.0170) and blocks, \$1.4500 (-.0145).

BUTTER: The cash butter price declined rather sharply at midweek. This may or may not have been a reaction to the December physical-delivery butter futures trading below \$.50 for most of this week. Churning activity ranges from steady to heavier, mostly heavier. Central and Western butter makers seem to have more cream available than Eastern producers. Stocks of fresh butter are quite well balanced with needs and frozen stocks are readily available to printers and buyers should they be needed. Demand for butter is fair to good as most Thanksgiving orders are in stores. Many retailers are already assessing needs for the year-end holidays. Transportation and energy costs are growing concerns in this and most other markets.

CHEESE: The cheese market is weak. Remaining orders for Thanksgiving need to be shipped soon. Interest was slow to fair for cheddar and most American varieties but very good for mozzarella. The closing of an Eastern mozzarella plant has customers seeking a new supplier. Process interest is seasonally fair at best. A few plant operators are minimizing cheese production until November due to expected higher milk cost compared to the cheese return. Cheese yields are steady to higher. Overall, cheese production remains seasonally active.

FLUID MILK: Hurricane Wilma was a major topic of discussion this week. She left a large part of Southern Florida without power and then moved up the East Coast and helped spawn a nor'easter which blanketed a large area of the Northeast in wet, heavy snow. This caused downed trees and power lines from Pennsylvania to Maine. The loss of power, closed schools, and plant damage forced quite a bit of milk to be diverted to bottlers and manufacturers outside the affected areas. It may be some time before power is fully restored in parts of Florida. Milk production is mostly steady to occasionally heavier and fluid milk supplies are long. Demand for milk is fair to good, but getting milk to customers is being hampered by the availability of trucks and truckers. The fluid cream market is mixed. Contacts in some areas of the country are seeing improved Class II cream demand while others still see steady demand and ample supplies. Butter producers are being offered more loads and prices, like the CME butter price, are declining.

DRY PRODUCTS: The NDM market is showing some firmness and prices are increasing. However, price increases are often a result of higher energy surcharges being incorporated into the price. Between the higher transportation costs, reported truck shortages, and producers' energy surcharges, there were few other topics of conversation this week. Drying

schedules are increasing in some areas, steady in others. Plant stocks are more than adequate to cover current needs. The dry whey market is mostly steady, but here too, more producers are adding energy surcharges. Demand is fairly brisk, if product is available at the producer level. Best interest is on product that has yet to have the surcharges added. The WPC market is mixed and prices are unchanged. Demand is fair to good, best for off grade product moving to the feed industry. The lactose market is firm with prices unchanged.

CCC: During the week of October 24 - 28, there was no dairy price support activity.

COLD STORAGE (NASS): On September 30, U.S. cold storage holdings of butter totaled 122.99 million pounds, 17.8% less than a month ago and 7.5% less than September 2004. Natural American cheese holdings total 541.51 million pounds, 5.5% less than a month ago and 2.2% below a year ago. Nonfat dry milk holdings at the end of August total 179 million pounds, 56 million pounds less than last month and 537 million pounds below last year. The government holds 37.4% of the total nonfat holdings.

COMMERCIAL DISAPPEARANCE (ERS, AMS): Commercial disappearance of dairy products during the first eight months of 2005 totals 117.8 billion pounds, 2.1% above the same period in 2004. Comparing disappearance levels with year earlier levels: butter is +0.2%; American cheese, +1.2%; other cheese, +3.9%; NDM, +1.5%; and fluid milk products, unchanged.

CONSUMER PRICE INDEX (BLS): The September CPI for all food is 191.4, up 2.5% from September 2004. The dairy products index is 181.8, up 0.1% from a year ago. The following are the September to September changes for selected products: fresh whole milk is -0.9%; cheese, -0.3%; and butter, -3.4%.

NOVEMBER ANNOUNCED COOPERATIVE CLASS I PRICES (DAIRY PROGRAMS): For November 2005, the all-city average announced cooperative Class I price was \$18.72, \$1.63 higher than the Federal milk order Class I price average. Both the November cooperative and the November Federal order Class I price were \$.29 higher than the respective October price. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$.15 in Phoenix, AZ, to \$3.00 in Miami, FL. For November 2004, the all-city average announced cooperative Class I price was \$18.30, \$1.48 higher than the Federal order Class I price average.

CORRECTION: On page 7 of last week's report (#42), the monthly heading in the milk production table should have read September. The data and narrative are correct.

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

PRODUCT	MONDAY OCTOBER 24	TUESDAY OCTOBER 25	WEDNESDAY OCTOBER 26	THURSDAY OCTOBER 27	FRIDAY OCTOBER 28	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	\$1.3950 (+.0050)	\$1.4000 (+.0050)	\$1.4200 (+.0200)	\$1.4200 (N.C.)	\$1.3500 (-.0700)	(-.0400)	\$1.3970 (-.0170)
40# BLOCKS	\$1.4675 (N.C.)	\$1.4675 (N.C.)	\$1.4675 (N.C.)	\$1.4475 (-.0200)	\$1.4000 (-.0475)	(-.0675)	\$1.4500 (-.0145)
BUTTER							
GRADE AA	\$1.6300 (-.0050)	-----	\$1.5700 (-.0600)	-----	\$1.5775 (+.0075)	(-.0575)	\$1.5925 (-.0433)

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. *Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM NOTE: CME NDM on Page 2.

CHICAGO MERCANTILE EXCHANGE

MONDAY, OCTOBER 24, 2005

CHEESE -- SALES: 3 CARS 40# BLOCKS @ \$1.4675; BIDS UNFILLED: 1 CAR BARRELS @ \$1.3950; 2 CARS 40# BLOCKS @ \$1.4675; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: 1 CAR GRADE A @ \$0.9950; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 7 CARS GRADE AA: 2 @ \$1.6225, 2 @ \$1.6300, 1 @ \$1.6325, 2 @ \$1.6300; BIDS UNFILLED: 2 CARS GRADE AA @ \$1.6250; OFFERS UNCOVERED: 4 CARS GRADE AA: 1 @ \$1.6325, 1 @ \$1.6350, 1 @ \$1.6375, 1 @ \$1.6450

TUESDAY, OCTOBER 25, 2005

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4000; 4 CARS 40# BLOCKS @ \$1.4675; BIDS UNFILLED: 2 CARS 40# BLOCKS @ \$1.4675; OFFERS UNCOVERED: 2 CARS 40# BLOCKS @ \$1.4800

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, OCTOBER 26, 2005

CHEESE -- SALES: 1 CAR BARRELS @ \$1.4100; 10 CARS 40# BLOCKS @ \$1.4675; BIDS UNFILLED: 2 CARS BARRELS @ \$1.4200; 2 CARS 40# BLOCKS @ \$1.4675; OFFERS UNCOVERED: NONE

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 21 CARS GRADE AA: 1 @ \$1.6100, 4 @ \$1.6000, 4 @ \$1.5900, 2 @ \$1.5850, 2 @ \$1.5825, 2 @ \$1.5800, 2 @ \$1.5750, 2 @ \$1.5725, 2 @ \$1.5700; BIDS UNFILLED: 12 CARS GRADE AA: 2 @ \$1.5700, 5 @ \$1.5600, 5 @ \$1.5500; OFFERS UNCOVERED: 18 CARS GRADE AA: 1 @ \$1.5800, 3 @ \$1.6000, 1 @ \$1.6050, 1 @ \$1.6150, 3 @ \$1.6175, 3 @ \$1.6250, 1 @ \$1.6275, 3 @ \$1.6300, 2 @ \$1.6400

THURSDAY, OCTOBER 27, 2005

CHEESE -- SALES: 1 CAR 40# BLOCKS @ \$1.4475; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.4475; OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.4500

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, OCTOBER 28, 2005

CHEESE -- SALES: 4 CARS 40# BLOCKS: 2 @ \$1.4275, 1 @ \$1.4175, 1 @ \$1.4000; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.3900; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.3500

NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

BUTTER -- SALES: 22 CARS GRADE AA: 3 @ \$1.5700, 1 @ \$1.5600, 3 @ \$1.5700, 1 @ \$1.5675, 1 @ \$1.5650, 1 @ \$1.5675, 1 @ \$1.5700, 3 @ \$1.5725, 1 @ \$1.5700, 1 @ \$1.5725, 2 @ \$1.5750, 2 @ \$1.5775, 1 @ \$1.5800, 1 @ \$1.5775; BIDS UNFILLED: 10 CARS GRADE AA: 1 @ \$1.5700, 4 @ \$1.5675, 1 @ \$1.5650, 2 @ \$1.5200, 2 @ \$1.5100; OFFERS UNCOVERED: 8 CARS GRADE AA: 1 @ \$1.5800, 2 @ \$1.5900, 1 @ \$1.5975, 2 @ \$1.6000, 2 @ \$1.6100

CME CASH NONFAT DRY MILK: Extra Grade closed the week at \$0.9625 and Grade A at \$0.9950. (The last price change for Extra Grade occurred March 30.) The weekly average for Extra Grade is \$0.9625 (N.C.) and Grade A is \$0.9950 (+.0125).**BUTTER MARKETS****NORTHEAST**

The butter market remains a little unsettled. The CME, cash price has (through 10/24) moved lower two of the last three sessions. The CME cash price for butter has held below \$1.65 since September 30. Some contacts wonder if we have seen the price's seasonal "spike" for Thanksgiving and the year-end holidays. There appears to be sufficient supply to meet demand and no real push to move prices out of their narrow trading range. Churning activity is moderate in the East. Excess cream offerings are starting to increase slightly. Some last minute orders are noted for Thanksgiving, but most emphasis is now on anticipated Christmas/New Year's needs. Current retail sales are fair and food service orders are unchanged. Sales of bulk butter f.o.b. East, are reported in a range from flat market to 3.0 cents over the CME price/average.

CENTRAL

The cash price for butter at the CME broke out of its narrow trading range today. The price settled at \$1.57, down six cents during the trading session and the lowest price since mid-July. Churning activity is moderate as some contacts report improved Class II cream demand. Others, however, do state that excess cream volumes remain fairly heavy. Butter orders are easily filled. Most feel that Thanksgiving orders should be in stores next week. Butter stocks are ample for the fair to good demand and, in light of the mid-week price decline,

supplies may be heavier than desired. It is also noted that December futures (on October 26) were trading below \$1.50. Bulk butter for spot sale is being reported in the flat – 2 cents per pound over various pricing basis.

WEST

Cash butter prices at the CME have in recent weeks moved in a narrow range. However, this week the price declined 6 cents at mid-week to close at \$1.5700. Contacts are concerned that price declines will affect buyers' plan to buy ahead of the holiday and push orders back. Orders for Thanksgiving have begun. Until the conclusion of the holiday it is hard to judge how sales stacked up with one year ago. The preliminary feeling is that orders will be average at best. Butter production remains seasonally quite heavy. Cream offerings to the churns are above expectations. Cream multiples are under pressure. Contacts are not expecting butter prices to stage a rally of the magnitude of last year if at all. U.S. butter stocks at the end of September according to the just released Cold Storage report stand at 123.0 million pounds, down 8% (10.0 million pounds) from last year and down 18% (26.6 million pounds) from August. The five year average drawdown for September was 22.9 million pounds. Weekly CME butter inventories declined by 3.83 million pounds to settle at 57.3 million pounds, up almost 8 million pounds from last year, but 56.5 million pounds lower than in 2003. Bulk butter prices range from 2 cents under to 6 cents under based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES**U.S. AVERAGES AND TOTAL POUNDS**

<u>WEEK ENDING</u>	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
OCTOBER 22	1.4719	1.4189	0.9883	1.6229	0.3072
	8,039,387	8,939,747	10,029,470	2,397,169	10,074,622

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices moved higher as the CME weekly averages for cheddar caught up with the increases seen the past two weeks. The market tone is steady though somewhat unsettled. Cheese output in the Northeast is steady to lighter. One cheese maker is scheduled to stop making cheese at the end of this week. The output from that plant will, reportedly, be incorporated in other operations within that organization. Demand for cheese is improving at the wholesale and producer levels, but holding about steady at retail. The relatively low prices seen the past two weeks did spark some interest and increases this week may spur additional interest before prices move any higher. Food service orders are about steady. Like all other dairy products, energy and fuel costs are having a larger impact on production and delivery costs.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.5475-2.0675
Cheddar Single Daisies	:	1.5050-1.9800
Cheddar 40# Block	:	1.6050-1.8775
Process 5# Loaf	:	1.6250-1.8625
Process 5# Sliced	:	1.6450-1.8700
Muenster	:	1.6200-1.8200
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

MIDWEST

The cheese market is about steady. Natural movement is uneven though generally at least moderate. Reports of overtime to fill orders are limited despite the need for holiday orders to be shipped for Thanksgiving soon. Process interest remains light to fair. Lead times on natural orders are about normal on most natural varieties except mozzarella which is extended. Some of the increased mozzarella interest and very tight supplies are attributed to the recent announced Eastern mozzarella plant closing. Some plant operators are also trying to reduce cheese production to just meet commitments due to the high cost of milk and energy compared to the expected negative return from cheese sales. Most will wait for possible lower milk prices in November. Cheese yields are improved as butterfat and protein tests recover from summer lows. The milk volume run through cheese vats depends on how much some plants want to run as well as plant intakes. Some operations are noticing a rebound in fluid receipts, mainly where an increased number of freshenings have occurred.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.6650-1.9700
Brick And/Or Muenster 5#	:	1.9700-2.0125
Cheddar 40# Block	:	1.8150-2.2650
Monterey Jack 10#	:	2.0000-2.2650
Blue 5#	:	2.3100-2.6700
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.6425-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.4300-2.8900

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
10/24/05	33,661	:	135,038
10/01/05	37,238	:	137,515
CHANGE	-3,577	:	-2,477
% CHANGE	-10	:	-2

WEST

Block and barrel prices at the CME cash market continue to show some seasonal strength. Contacts are wondering how far this rally will go. Cheese supplies seem to be adequate in the short run, but contacts are also looking at the short calendar before the end of the year. Buying activity has responded to a bottom seemingly put in the market and prices moving slightly above that level. Sellers are surprised that activity has not been more aggressive. Many buyers seem to be content to continue to work down existing stocks. Mozzarella and Swiss are moving very well while process cheese is slower seasonally. Some producing plants are managing their cheese production, at least until November, because of the problems related to the cost of the milk and the return from the cheese. Medium to aged cheese is in tight supply with buyers searching for needed supplies and only being partially successful. According to the U.S. Cold Storage report, American cheese stocks at the end of September total 541.5 million pounds, down 2% (12.4 million pounds) from last year and down 5% (31.3 million pounds) from August. The average draw down for September for the last five years has been 29.3 million pounds. This year is a little ahead of that rate. Swiss stocks at the end of September stood at 21.4 million pounds, down 2% from last month but down sharply from last year. Stocks were down 21% or 5.6 million pounds from September 30, 2004.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.5650-1.8225
Cheddar 40# Block	:	1.5850-1.9375
Cheddar 10# Cuts	:	1.7650-1.9850
Monterey Jack 10#	:	1.7750-1.9350
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.7000

FOREIGN

Prices are unchanged to higher and the market tone is steady. Supplies of most types of cheese are adequate to meet the seasonally improving demand. However, the improvements in demand are slow in developing. If historical patterns are followed, unused import licenses (the same type of cheese and same country) turned back in to FAS, are in the second stage of being offered to interested licensees on a first-come, first-served basis.

CORRECTION: The high ends for last week's imported Gorgonzola and Provolone price ranges were transposed. They should have been: Gorgonzola 3.6900 - 5.9400 and Provolone (Italy) 3.4400-6.0900.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

	:	NEW YORK
VARIETY	:	IMPORTED : DOMESTIC
Roquefort	:	TFEWR : -0-
Blue	:	2.6400-4.6300 : 1.8600-3.3500*
Gorgonzola	:	3.6900-5.9400 : 2.3725-2.4900*
Parmesan (Italy)	:	TFEWR : 3.2750-3.3800*
Romano (Italy)	:	2.1000-3.1900 : -0-
Provolone (Italy)	:	3.4400-6.0900 : 1.8625-2.0975*
Romano (Cows Milk)	:	-0- : 3.0575-5.2000*
Sardo Romano (Argentina)	:	2.8500-3.2900 : -0-
Reggianito (Argentina)	:	2.6900-3.2900 : -0-
Jarlsberg-(Brand)	:	3.1200-4.1500 : -0-
Swiss Cuts Switzerland	:	-0- : 2.4500-2.6500
Swiss Cuts Finnish	:	2.5900-2.8500 : -0-
Swiss Cuts Austrian	:	TFEWR : -0-
Edam	:	:
2 Pound	:	TFEWR : -0-
4 Pound	:	2.1900-3.5600 : -0-
Gouda, Large	:	TFEWR : -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	:	27.8000-31.7000 : -0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	229	0	230	0	183	0
SOUTHEAST STATES	76	0	76	0	0	0

The base price for Class I milk for November 2005 is \$14.56, up \$0.29 from October. A Class I differential specific to each pricing point (county) is added to the base price to determine the applicable Class I price. The Class II skim milk price for November is \$8.11, down \$.01 from October. Hurricane Wilma had a major impact throughout the East as she caused problems from Florida to New England. First, she left millions of Florida residents and businesses without electricity. Plus, she turned out to be a more powerful storm than most anticipated and there was considerable damage to houses, businesses, processing plants, and milking operations. Some anecdotal reports say that milk may have been dumped at the farm and there were a few reports of cows being lost. Second, she moved offshore, paralleled the Coast, and combined with other weather systems to bring a nor'easter to New England and Middle Atlantic states. Heavy rains and snowfalls were recorded from the mountains of North Carolina up through the New England states. Snowfalls of 12 inches or more and power outages were common. Milk processing plants in Florida were still without electricity at mid-week and milk was being diverted to other operations, if trucks were available. Schools were closed and will likely remain closed until next week. Also, many retailers were without powder and, combined with refilling the school lunch pipeline, will probably create a rush on both fluid and packaged milk this weekend. In New England, plants lost power due to downed power lines and some schools were closed due to icy road conditions. Bottlers in this region have had to adjust their schedules to meet the slower demand. Milk production is mostly steady. Some increases were noted in parts of Georgia, but most of the region seems to have steady output. Fluid milk supplies are long and manufacturing schedules are being stepped up to handle the extra milk. Again, transportation is a growing problem in this and other industries. The increasing delivery costs and lack of trucks/truckers to move the products has been and is aggravating to those trying to get or ship products. Some contacts point to FEMA still having a lot of vehicles and drivers "tied up" in and around New Orleans. The condensed skim market is unchanged, but processors are sending out notices of price changes for November's shipments. Offerings are heavier in most of the region and some dryers are operating more hours each week. The fluid cream market is mixed, mostly firming. Supplies are ample and demand ranges from slower to improved. Spot prices are both higher and lower as multiples were lower early in the week; higher as the week progressed. By mid-week, most cream sale multiples were in the mid to high 130's, f.o.b. Spot demand is slower for some ice cream operations, but showing more improvement from producers of sour cream, dips, bottled cream, cream cheese, and a few ice cream makers. Churning activity is steady to a little heavier.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.0448-2.2901
DELIVERED EQUIVALENT ATLANTA	-	2.0938-2.3228 M 2.2083-2.2738
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.0448-2.1265

PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0000-1.0800
NORTHEAST- CLASS III - SPOT PRICES	- 1.0500-1.1200

M I D W E S T

Class I interest is slower again this week. At least one other bottler has made a batch or so of egg nog. Some bottlers are expecting fluid demand to pick up by Monday (10/31) for the new month. Upper Midwestern milk shipments into the Florida and the Southeast were reduced just ahead of Hurricane Wilma and remain below scheduled volumes. Plastic resin prices remain well above pre-Katrina levels and supplies are continuing to slowly become more available. Spot manufacturing milk interest is spotty, often lighter. This is due, in part, to increased offerings in some areas and the prospect of another financial "red ink month" with milk prices higher than can be recouped in cheese sales. Reported prices range from

flat class east of Illinois to the usual upper Midwest area reported prices of \$1.85 - 2.25 over class, fob plant. A couple contacts stated that milk interest was soft from cheddar/American style cheese plants but strong from mozzarella and some specialty varieties. Cream supplies remain heavy and churning remains surprisingly active. The extra cream entering churns is reducing the volumes of bulk butter needed from storage to fill holiday season print orders. Other Class II cream users still seem seasonally sluggish. Plant milk receipts are unevenly higher to lower, higher where more cows are freshening. Good progress continues on fall harvest and tillage operations. Extremely dry conditions continue through parts of Wisconsin and Illinois. On October 26 Supreme quality fresh milking cows sold at a Wisconsin dairy auction range from \$2100 - 2550 per head with approved quality \$1750 - 2100. The best cows were selling around \$100 higher than a month ago. Supreme quality springing heifers sold for \$2100 - 2225 and approved quality \$1750 - 2100.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	OCT 20 - 26	PREVIOUS YEAR
SLAUGHTER COWS	\$ 44.00- 52.00	\$ 48.00- 54.00
REPLACEMENT HEIFER CALVES	\$500.00-725.00	\$400.00-600.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	OCT 20 - 26	PREVIOUS YEAR
SLAUGHTER COWS	\$ 42.00- 54.00	\$ 50.00- 55.50

W E S T

According to the most recent *Milk Production* report, U.S. milk production for the first nine months of the year is up 3.2% from the same period in 2004. Output for selected Western states compared to last year for the first nine months of 2005 is as follows: Arizona +3.4%, California +3.0%, Colorado +7.8%, Idaho +11.8%, New Mexico +1.2%, Oregon +0.7%, Utah +3.0%, and Washington +3.7%. September 2005 POOL RECEIPTS of milk in CALIFORNIA total 2.93 billion pounds, 3.0% higher than last year. The September blend price, at a fat test of 3.63%, is \$14.35, 91 cents higher than August and 8 cents more than September 2004. The percentage of receipts used in Class 1 products is 16.25%. The September quota price is \$15.26 and the over quota price is \$13.56. These prices are 61 cents higher than August and 5 cents more than a year earlier. Milk production is steady to trending slightly higher in CALIFORNIA. Weather conditions have been favorable and provided a decent platform for milk to begin to increase in the next few months. More cows are expected to freshen in the nearby weeks and months. Corn and soybeans are available and prices are better than in recent years. Alfalfa prices are high and good quality stocks are in tight supply. Bottled milk demand has remained good across the state with a good call from both schools and retailers. Production trends by region show milk is steady in the northern and southern producing areas, but trending higher in the Central Valley. Milk output is steady to trending higher across ARIZONA. Daytime highs have just been reaching into the mid 80's and nights are cooling into the 60's, providing very good milk production conditions. Fluid milk needs remain good and the bottlers are actively filling orders. Balancing plants are running along projected schedules. CREAM prices and the market tone are both weaker this week. Offerings of cream backed up early in the week and buyers were hard to find. Many butter producers are finding that locating drivers, tankers, and paying the freight costs are major deterrents to moving cream. Local cream usage in sour cream, cream cheese, and whipped cream is slowly building, but not at expected levels, trade wide. The CME Grade AA butter price declined to \$1.5700 at midweek, down 5.5 cents from last week. Cream multiples range from 110 to 126, FOB, and vary depending on class usage and basing point. Milk production remains mixed in the PACIFIC NORTHWEST, moving both somewhat higher and lower. Normal fall weather patterns are expected. Fall harvesting is just about finished for the region at about the normal seasonal projected time frame. Dairy quality hay will be on the tight side and prices will be firm for the winter feeding season. Weather conditions are not posing any problems for milk production in UTAH and IDAHO. Production levels are just coming up off the bottom, but tests are recovering very well. Some plant managers are somewhat surprised by the quick recovery. Heifer prices in the region remain very firm. The top of the market continues to hold near \$2400 while the average is near \$2200. Demand is good and offerings are light.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are unchanged to higher on a steady to firm market. Some increased demand is noted during this last full week in October as energy surcharges are expected to increase in November. Movement is good as manufacturers satisfy contractual and spot orders for the upcoming holidays. Supplies of high heat are limited for the good interest. Some manufacturers are making high heat to satisfy orders and in response to lower milk intakes. However, as milk becomes more readily available during Thanksgiving holiday school recesses, increased production of low heat NDM instead of high heat NDM is expected due to the reduced dryer time required for low heat. Off grade supplies are limited for the good feed interest.

EAST: Prices are often higher as most producers adjust their prices higher. This week, the NASS price series (the basis for most NDM sales) increased about three-quarters of a cent. The market tone remains mixed. The major topic of conversation again centers on energy surcharges imposed by producers. Some dryers have added these surcharges while other have announced increases to their existing surcharge plans. Most producers are preparing themselves for this winter's natural gas needs. Despite prepaying for much of their needs, many fear that their supply will be interrupted and they will have to switch to fuel oil to run their boilers and evaporators. The cost of natural gas and fuel oil are significantly higher than a year ago. Another problem facing the industry is the availability, or lack thereof, of trucks and truckers. This week, production of NDM is up as sales of condensed skim have slowed to some cheese operations. Demand for NDM is steady at fairly good levels. There doesn't seem to be the rush to beat November's higher surcharges like we saw the last week of September. Many spot sales continue to be in the resale side of the market. Producer stocks vary from light to ample. Historical comparisons show that this year's availability at Eastern plants is well above anticipated levels. Some plants continue to make more medium and high heat powder.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: 1.0125 - 1.0700 MOSTLY: 1.0200 - 1.0450
 HIGHHEAT: 1.0450 - 1.1250

NONFAT DRY MILK - WEST

Price changes for low/medium heat NDM in the West are minor this week and reflect changes in several producers' prices. The market tone is steady to firm. Energy surcharges remain a common topic and add-on to NDM costs. As natural gas prices remain high following effects of recent hurricanes, the surcharges are growing in size. Surcharges in November are expected to be over 1 cent per pound higher for several sellers. As more producers add surcharges, buyers are finding fewer bargains in the first sale category. Export sales are generally moving within the lower side of the nonfat range. Resale loads are being offered at slight discounts to current prices with sellers having profit built in following recent price increases. NDM usage in cheese production is mixed with some cheese makers using more economical skim while other cheese producers are not fortifying/standardizing, but just using current milk supplies. Drying is active to process steady to building milk supplies in the region. Stocks are light to moderate and stated to be committed for current and later needs.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A
 LOW/MEDIUMHEAT: .9600 - 1.0050 MOSTLY: .9700 - 1.0000
 HIGHHEAT: .9900 - 1.0325

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
October 21	\$.9761	3,754,067	0
October 14	\$.9763	4,978,078	0

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are unchanged and nominal on a steady market. With increased churn activity at some locations, condensed buttermilk production is increasing. Apparently, most supplies of condensed buttermilk are clearing to end-users, limiting the amount available for dryers. Most manufacturers are comfortable in holding onto stocks with very limited offerings noted. As the Thanksgiving holiday nears, less milk will be required for bottled milk in schools and more milk will be available for manufacture and the potential production of dry buttermilk.

F.O.B. CENTRAL: .9500 - 1.0450

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are steady and the market tone is unchanged. The Northeastern price range is nominal. Drying schedules are light to moderate, but showing some signs of increasing. Churning activity is spotty; up a little one week, down a little the next. This week, excess cream volumes are about steady in the East. Demand for dry buttermilk is unchanged. Plant stocks remain closely balanced.

F.O.B. NORTHEAST: .9600 - 1.0050
 DELVD SOUTHEAST: .9800 - 1.0600

DRY BUTTERMILK - WEST

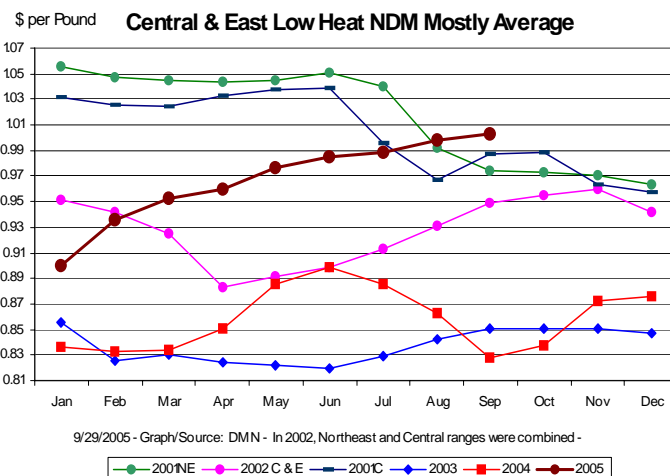
Western dry buttermilk prices are unchanged and the market tone is steady to slightly firmer. There are comments that sales are fair to good for current offerings. Producers whose stocks are tighter are stating that they are in good shape and attempting to raise prices. Production is still active in the region and reflects higher than projected levels of butter churning. Demand remains on the light side, especially for spot needs. Producers' stocks are light to moderate.

F.O.B. WEST: .9100 - .9650 MOSTLY: .9150 - .9250

DRY WHOLE MILK - NATIONAL

Prices and the market tone are unchanged. Prices remain nominal. Drying schedules are still geared toward meeting sales, which are just fair. Direct spot sales remain light and there continues to be competition from imported powder.

F.O.B. PRODUCING PLANT: 1.3600 - 1.5000



WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are unchanged on Extra Grade and unchanged to higher on feed grade whey. The market tone is steady to firm. Supplies of whey are tight for the good interest. Most trade is noted on a contractual basis. Some contractual discussions for 2006 are taking place. Buyers continue to express concern over energy surcharges that are being imposed by producers. Because energy surcharges are included in product prices reported, buyers feel that sellers are "double dipping" when adding on energy surcharges separately to the price. Resale supplies are limited at prices of 1-2 cents over the average. Feed grade supplies are short of buyer interest at prices that vary with the quality. September veal production totaled 13.2 million pounds, 2% above September a year ago. Calf slaughter totaled 60,700 head, down 10% from September 2004. The average live weight was 43 pounds above last year, at 363 pounds. Pork production totaled 1.74 billion pounds, down 2% from the previous year. Hog kill totaled 8.87 million head, 1% below September 2004. The average live weight was unchanged the previous year, at 265 pounds.

F.O.B. CENTRAL: .2950 - .3175 MOSTLY: .2950 - .3050
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2675 - .2975

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are mostly steady to occasionally higher. More comments are heard about energy surcharges and which producers are or are not imposing them. Most contacts feel that it is only a matter of time before all producers implement some type of charge to recoup rising energy costs. The market tone remains firm. Cheese production is slowing as one plant has ceased cheese production and another will close at the end of this week. Conversely, others are seeing a little more milk in their plants. Most Eastern producers have little or no product to offer on the spot market. However, some plants have been able to make an extra load or so and these quickly cleared to contract buyers. The Northeastern dry whey prices remain nominal. Most spot sales activity continues to be in the resale market. Demand is steady at generally good levels.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3100 - .3250
DELVD SOUTHEAST: .3250 - .3550

DRY WHEY - WEST

Prices are somewhat mixed for Western whey powder. Range prices were steady to fractionally lower and the mostly series was steady to fractionally higher. A number of contacts are stating that domestic demand is better than they had anticipated or seen recently. Export sales are holding their own. Production levels are variable with some reports of higher production while others are down a bit. Some operations are reducing prices to keep powder clearing very well and than raising them back up again.

NONHYGROSCOPIC: .2950 - .3450 MOSTLY: .3150 - .3325

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged on a steady market. The availability of WPC 34% tends to vary from week to week. During the current week, supplies appear to be in better balance with offerings noted near the average. Unlike some other dry dairy products, energy surcharges on WPC 34% are not being discussed, although some manufacturers are pondering the idea. Depending on the supplier, WPC 80% is a competitive substitute for WPC 34%. Many feed operations are opting to instead contract WPC 80% in 2006 due to better supply availability at some locations. Production is mostly steady for the limited number of plants that continue to produce WPC 34%. Off grade supplies of WPC 34% are available at prices below the range for the very good feed interest.

F.O.B. EXTRA GRADE 34% PROTEIN: .8125 - .8625 MOSTLY: .8475 - .8575

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a firm market. Spot trade is very light with most trade occurring on a contractual basis. Production is fairly steady with most cheese plants operating on seasonal holiday schedules. Some contracts for 2006 are being discussed. Not all sellers of lactose are assessing energy surcharges. Although sellers propose that supplies of lactose will be lower in 2006, buyers are speculative as additional international supplies are expected to become available. Some buyers are also speculative as sellers are offering additional loads beyond 2005 contractual arrangements in 2006. Competitive substitutes, such as dry permeate and whey, are also highly dependent on international markets and short in supply at the present time. Feed grade supplies are limited for the good buyer interest.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .2000 - .2500 MOSTLY: .2050 - .2300

CASEIN - NATIONAL

Prices for both casein types are holding steady. Supplies are adequate for current and future needs for most buyers. Shipments are moving and being delivered as scheduled. Buyers renewing yearly contracts are surprised by higher prices and often lower availability of caseinates. Rennet casein markets are not seeing much impact as natural cheese prices within the U.S. continuing to trade in a common range. Steady interest in analog cheese is expected to continue.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

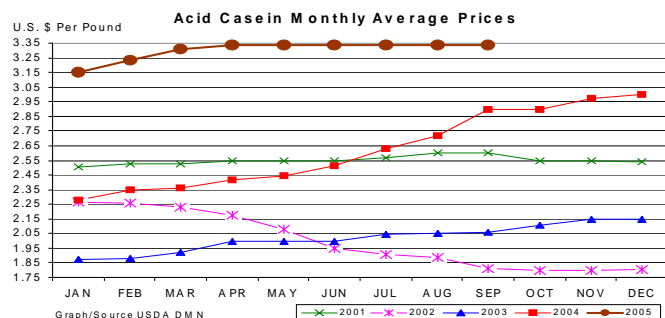
RENNET: 3.2000 - 3.3500
ACID: 3.2000 - 3.3000

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production levels are steady to higher as surplus milk supplies are starting to grow in some areas of the country. Demand for canned evaporated milk is improving along seasonal patterns. Producer shipments are quite active, if trucks and/or truckers are available. Producer stocks range from light to adequate.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.50 - 30.00

Excluding promotional and other sales allowances. Included new price announcements.



CHICAGO MERCANTILE EXCHANGE FUTURESSelected settling prices, (open interest), and volume 1/

Month	10/12	10/13	10/14	10/17	10/18	10/19	10/20	10/21	10/24	10/25
CME - (CLASS III) MILK FUTURES -- Dollars per cwt										
OCT 05	14.33 (2578) 96	14.35 (2583) 17	14.35 (2583) 11	14.37 (2586) 25	14.37 (2586) 2	14.37 (2588) 0	14.37 (2606) 22	14.39 (2608) 3	14.39 (2572) 161	14.39 (2567) 1
NOV 05	13.80 (2172) 230	13.80 (2251) 220	13.78 (2264) 109	13.80 (2277) 166	13.81 (2284) 69	13.88 (2291) 54	13.84 (2325) 54	13.67 (2330) 76	13.74 (2329) 49	13.68 (2329) 18
DEC 05	13.55 (1976) 134	13.53 (2020) 131	13.50 (2016) 67	13.49 (2034) 25	13.50 (2037) 51	13.64 (2058) 48	13.64 (2063) 28	13.51 (2057) 36	13.54 (2063) 12	13.49 (2061) 8
JAN 06	13.00 (1423) 135	13.00 (1506) 121	12.95 (1498) 16	12.92 (1517) 38	12.95 (1521) 15	13.06 (1536) 36	13.10 (1539) 54	13.04 (1527) 34	13.10 (1537) 10	13.04 (1560) 27
FEB 06	12.63 (1275) 35	12.56 (1283) 19	12.60 (1281) 9	12.58 (1296) 26	12.63 (1301) 6	12.70 (1306) 19	12.73 (1300) 20	12.70 (1296) 19	12.70 (1296) 0	12.70 (1300) 9
MAR 06	12.70 (1244) 28	12.70 (1243) 34	12.70 (1247) 7	12.65 (1268) 21	12.69 (1272) 5	12.77 (1277) 11	12.80 (1275) 24	12.77 (1262) 16	12.77 (1262) 0	12.77 (1265) 7
APR 06	12.49 (1234) 10	12.48 (1236) 16	12.48 (1238) 6	12.45 (1237) 24	12.47 (1240) 21	12.59 (1237) 31	12.62 (1237) 14	12.61 (1247) 11	12.60 (1247) 1	12.60 (1250) 8
MAY 06	12.52 (1108) 6	12.52 (1110) 2	12.50 (1122) 16	12.45 (1137) 39	12.47 (1138) 22	12.60 (1160) 40	12.60 (1159) 10	12.57 (1171) 13	12.58 (1171) 1	12.58 (1173) 5
JUN 06	12.63 (1066) 12	12.69 (1069) 5	12.67 (1072) 5	12.66 (1091) 23	12.70 (1103) 46	12.80 (1114) 67	12.80 (1109) 12	12.76 (1106) 16	12.75 (1107) 1	12.75 (1112) 8
JUL 06	13.15 (847) 8	13.15 (864) 19	13.14 (874) 14	13.10 (892) 21	13.10 (893) 12	13.20 (910) 28	13.20 (915) 7	13.15 (913) 12	13.15 (913) 2	13.15 (914) 9
AUG 06	13.35 (795) 25	13.35 (800) 5	13.35 (804) 11	13.35 (840) 38	13.38 (840) 15	13.45 (851) 16	13.45 (857) 12	13.45 (862) 16	13.42 (862) 2	13.42 (864) 5
SEP 06	13.65 (898) 18	13.64 (900) 5	13.64 (901) 12	13.60 (934) 39	13.62 (939) 12	13.73 (949) 12	13.78 (952) 3	13.75 (945) 12	13.75 (945) 1	13.70 (950) 5
OCT 06	13.12 (764) 14	13.12 (771) 8	13.12 (773) 2	13.13 (796) 27	13.13 (805) 10	13.19 (813) 16	13.18 (816) 3	13.18 (815) 11	13.18 (815) 0	13.17 (820) 5
NOV 06	12.84 (742) 1	12.83 (755) 14	12.83 (755) 0	12.83 (763) 10	12.84 (776) 15	12.90 (787) 15	12.90 (793) 7	12.90 (786) 10	12.85 (788) 2	12.85 (791) 6
DEC 06	12.77 (808) 1	12.77 (819) 11	12.77 (819) 0	12.73 (823) 15	12.73 (831) 10	12.76 (839) 11	12.76 (838) 8	12.76 (848) 11	12.76 (848) 2	12.76 (850) 3
JAN 07	12.65 (69) 0	12.65 (69) 0	12.65 (69) 0	12.60 (69) 0	12.60 (69) 0	12.60 (69) 0	12.60 (69) 0	12.60 (69) 0	12.60 (69) 0	12.60 (69) 0
FEB 07	12.30 (60) 0	12.30 (60) 0	12.30 (61) 1	12.30 (61) 0	12.28 (63) 2	12.28 (63) 0	12.28 (63) 0	12.28 (63) 0	12.28 (63) 0	12.28 (63) 0
MAR 07	12.35 (50) 0	12.35 (50) 0	12.35 (50) 0	12.35 (50) 0	12.35 (50) 0	12.35 (50) 0	12.35 (50) 0	12.35 (50) 0	12.35 (50) 0	12.35 (50) 0
APR 07	12.50 (11) 0	12.50 (11) 0	12.50 (11) 0	12.50 (11) 0	12.50 (11) 0	12.50 (11) 0	12.50 (11) 0	12.50 (11) 0	12.50 (11) 0	12.50 (11) 0
MAY 07	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0
CME - (CLASS IV) MILK FUTURES - Dollars per cwt.										
OCT 05	13.00 (4) 0	13.00 (4) 0	13.00 (4) 0	13.00 (4) 0	13.00 (4) 0	13.00 (4) 0	13.10 (4) 0	13.10 (4) 0	13.10 (4) 0	13.15 (4) 0
NOV 05	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0
DEC 05	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0
CME - BUTTER FUTURES -- Cents per pound										
OCT 05	160.00 (155) 29	160.00 (116) 9	163.25 (74) 26	163.00 (74) 2	161.00 (70) 4	160.00 (67) 6	160.00 (66) 1	160.00 (35) 0	160.00 (34) 0	150.25 (165) 4
DEC 05	156.00 (163) 13	156.00 (162) 2	156.00 (159) 10	156.00 (159) 0	154.00 (163) 10	154.00 (163) 0	154.00 (163) 0	154.00 (163) 0	154.00 (162) 3	148.00 (95) 4
MAR 06	153.00 (78) 0	153.00 (79) 1	153.00 (79) 0	153.00 (79) 0	151.25 (79) 0	151.50 (79) 0	152.00 (84) 5	152.00 (84) 0	151.00 (91) 7	148.00 (81) 4
MAY 06	153.00 (65) 0	153.00 (65) 0	153.00 (65) 0	153.00 (65) 0	151.00 (65) 0	151.50 (65) 0	152.00 (70) 5	152.00 (70) 0	151.25 (77) 7	152.00 (94) 3
JUL 06	153.00 (71) 4	153.00 (74) 3	153.00 (78) 6	153.00 (78) 0	152.00 (79) 2	152.00 (83) 4	152.50 (87) 4	152.50 (87) 0	152.50 (91) 4	153.50 (51) 4
SEP 06	153.50 (24) 3	154.00 (28) 4	154.00 (30) 2	154.00 (30) 1	153.50 (32) 2	153.50 (34) 2	153.50 (34) 0	153.55 (38) 4	153.00 (49) 11	153.50 (10) 5
CME - CASH BUTTER FUTURES -- Cents per pound										
OCT 05	164.25 (56) 0	164.25 (56) 0	164.25 (59) 0	164.50 (59) 0	164.50 (59) 0	164.75 (59) 0	165.00 (59) 0	164.75 (59) 0	164.75 (59) 0	164.75 (59) 0
NOV 05	158.50 (95) 0	158.50 (98) 0	158.50 (98) 0	158.50 (98) 0	157.50 (100) 0	157.50 (96) 0	157.50 (96) 0	158.25 (96) 0	156.50 (100) 0	156.50 (100) 0
DEC 05	156.50 (14) 0	156.50 (14) 0	156.50 (16) 0	156.50 (17) 0	155.25 (17) 0	155.25 (17) 0	153.75 (17) 0	154.50 (17) 0	154.75 (21) 0	154.00 (21) 0
JAN 06	153.00 (14) 0	153.00 (19) 0	153.00 (19) 0	154.00 (19) 0	154.00 (19) 0	153.25 (19) 0	153.25 (19) 0	152.00 (24) 0	150.00 (24) 0	150.25 (24) 0
FEB 06	153.75 (5) 0	153.75 (5) 0	153.75 (5) 0	153.75 (5) 0	153.75 (5) 0	153.75 (5) 0	153.75 (5) 0	153.75 (5) 0	149.00 (7) 0	149.00 (9) 0
MAR 06	151.00 (2) 0	151.00 (2) 0	151.00 (2) 0	151.00 (2) 0	151.00 (2) 0	151.00 (2) 0	151.00 (2) 0	151.00 (2) 0	151.00 (2) 0	149.00 (2) 0

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered October 17 - 28, 2005

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

WESTERN OVERVIEW: Milk production in Europe is trending toward the annual low point. Demand for butter and cheese is increasing seasonally as is specialty products for the holiday season. More milk supplies are heading toward cheese and holiday products at the expense of powders. Price pressure is limited for most products, at least for the short term, aided by the recent Algerian tender. Overall, international interest remains quiet. However, some traders expect weakness could develop late in the year on butter and powders after the holiday products for internal EU consumers have been made and more milk returns to products for export. Current interest is generally steady at recent levels. Most of the current price adjustments are due to changes in relative currency values rather than supply/demand changes.

BUTTER/BUTTEROIL: The butter market is steady at mostly unchanged prices, at least based in Euros. Current interest centers on internal EU consumer needs for the upcoming holiday season. Churning levels are declining seasonally. Supplies are still available from inventory.

82% BUTTERFAT:	1,900 - 2,125
99% BUTTERFAT:	2,400 - 2,700

SKIM MILK POWDER (SMP): Current prices are mostly unchanged, though lower on the range bottom due to currency exchange rates. Skim supplies are available from inventory. Current drying levels are lighter as additional milk volumes get shifted from skim powder into the production of cheese and year-end holiday consumer items. Overall, milk volumes received at plants are also lower seasonally.

1.25% BUTTERFAT:	2,225 - 2,350
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WHOLE MILK POWDER (WMP): The whole milk market is steady though there are some price fluctuations within the range due to currency exchange rates. International interest remains generally quiet. Current production is lower as milk is diverted to cheese and holiday consumer items. Whole milk production is expected to increase around year-end after the consumer holiday product orders have been filled. Supplies are available but often lighter than desired for this time of year.

26% BUTTERFAT:	2,200 - 2,350
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SWEET WHEY POWDER: The whey market remains firm. Despite shifting some extra milk supplies into cheese production for year end consumer holiday needs, whey supplies remain limited. Most traders feel that whey supplies will remain tight, at least until year-end.

NONHYGROSCOPIC:	650 - 840
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EASTERN OVERVIEW: Milk production continues to decline seasonally. Plant milk intakes still remain above year ago levels. However, plant operating schedules are trending lower. Production is starting to gear up for holiday products and less for export items. The recent Algerian tender reduced some of the supply in inventory.

OCEANIA

OVERVIEW: Unseasonably cool weather over the past two weeks or so in New Zealand has impacted milk production. Wet conditions, including some flooding, on the North Island have caused the spring milk peak and decline from the peak to occur a few weeks earlier than normally expected. In the South Island, dry conditions are also providing less than ideal pasture conditions for milk production. This places more pressure on output after the spring peak to make up the difference. Milk intakes in New Zealand are again unlikely to recover to levels of just a couple years ago. Manufacturing plants continue to operate on seasonally heavy schedules. In Australia, milk production continues to increase seasonally with the annual spring peak a few weeks away. Some rains have been occurring in the major dairy areas such as Victoria. Water allocations for irrigation have been increased in Victoria, though not to pre-drought levels. Production of manufactured products continues toward items pre-sold before the season with some extra being inventoried. Sales staff is still looking to increase sales for the next calendar year but are not desperate to sell product due to continued milk production concerns in New Zealand. Strong currency exchange rates compared to the US Dollar remain a concern for international traders. Manufacturing schedules are already lighter than a few weeks ago in New Zealand though still increasing in Australia.

BUTTER: The butter market is mostly steady though some prices seem to be edging lower within the range. Shipments are being made against commitments with some extra stocks being placed into inventory for later shipment and/or sale. Churning remains active.

82% BUTTERFAT:	1,950 - 2,300
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CHEDDAR CHEESE: The cheddar market is about steady. Cheese production is active and in line with recent weeks. Shipments to fill commitments are well underway with extra product inventoried for later delivery. Sales staff will be looking to meet with buyers in the Far East and other locations to make commitments for additional deliveries in the new year.

39% MAXIMUM MOISTURE:	2,800 - 3,000
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SKIM MILK POWDER (SMP): Skim milk production is near peak annual levels. While shipments of fresh are underway, extra product is being inventoried for shipment later in the season. Current interest is generally steady at best. Some producers may shift production from skim to other, more profitable products and source extra supplies, if needed, from other sources.

1.25% BUTTERFAT:	2,200 - 2,300
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WHOLE MILK POWDER (WMP): The whole milk market is steady. Some product is being shipped to fill orders with extra supplies going into inventory for shipment later in the season. Drying is active though as milk volumes drop seasonally, milk volumes will be adjusted to produce products with the best interest and returns.

26% BUTTERFAT:	2,200 - 2,400
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Exchange rates for selected foreign currencies: October 24, 2005

.8424 Canadian Dollar	.0222 Indian Rupee
.3360 Argentina Peso	.7029 New Zealand Dollar
.0922 Mexican Peso	.7504 Australian Dollar
.3065 Polish Zloty	.0087 Japanese Yen
	1.1961 Euro

To compare the value of 1 US Dollar to Mexican Pesos: $(1/.0922) = 10.8459$
That is 1 US Dollar equals 10.8459 Mexican Pesos.

Source: *Wall Street Journal*

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS

COMMODITY	AUG 31, 2003	AUG 31, 2004	REVISED AUG 31, 2005	SEP 30, 2003	SEP 30, 2004	SEP 30, 2005
Butter	253,913	161,025	149,623	207,175	133,008	122,988
Cheese, Natural American	546,627	568,783	572,829	516,845	553,884	541,511
Cheese, Swiss	22,172	26,759	21,852	22,884	26,992	21,358
Cheese, Other Natural	225,416	215,979	209,458	222,424	209,841	203,069
Total Cheese	794,215	811,521	804,139	762,153	790,717	765,938

U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS

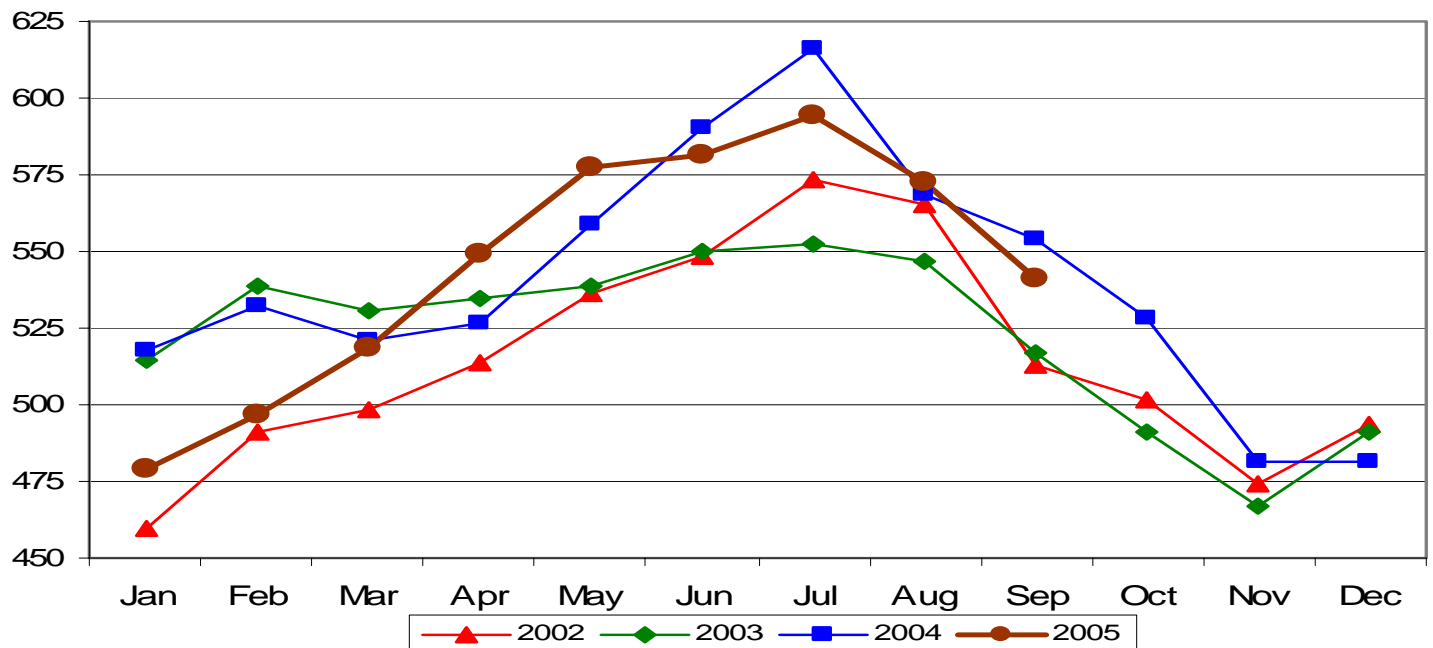
Butter	9,567	35	55	10,172	50	44
Natural American Cheese	8,807	7,076	943	8,836	6,454	844

SEPTEMBER STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
New England	21,153	23,588	26,149	---	---	---	190	330	38
Middle Atlantic	49,960	62,623	54,554	---	---	---	16,128	12,303	11,840
East North Central	212,155	211,658	219,430	---	---	---	128,341	121,458	117,376
West North Central	117,460	123,637	112,235	---	---	---	56,492	56,859	55,344
South Atlantic	113	4,869	7,733	---	---	---	2,101	129	120
East South Central	211	350	334	---	---	---	2,087	2,366	2,512
West South Central	4,322	4,455	5,444	---	---	---	126	173	391
Mountain	18,240	31,953	33,864	---	---	---	3,666	6,317	2,789
Pacific	93,231	90,751	81,768	---	---	---	13,293	9,906	12,659
TOTAL	516,845	553,884	541,511	207,175	133,008	122,988	222,424	209,841	203,069

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

MILLION POUNDS AMERICAN CHEESE COLD STORAGE



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2004 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	Million Pounds						Million Pounds						Million Pounds					
January	77	152	77	151	<u>3/</u>	1	479	518	475	508	4	10	440	945	83	109	357	836
February	111	159	111	158	<u>3/</u>	1	497	533	494	523	3	10	374	896	79	95	296	800
March	132	158	132	158	<u>3/</u>	1	518	521	517	511	2	10	321	841	84	80	236	761
April	165	156	164	155	<u>3/</u>	<u>3/</u>	549	526	547	517	2	10	276	826	108	104	168	723
May	178	179	178	178	<u>3/</u>	<u>3/</u>	578	559	577	549	1	10	259	814	113	123	147	691
June	180	189	179	189	<u>3/</u>	<u>3/</u>	581	591	581	582	3/	9	NA	774	116	146	NA	628
July	177	194	177	193	<u>3/</u>	<u>3/</u>	595	616	594	609	1	7	235	755	120	161	116	594
August	150	161	150	161	<u>3/</u>	<u>3/</u>	573	569	572	562	1	7	179	716	112	149	67	567
September	123	133	123	133	<u>3/</u>	<u>3/</u>	542	554	541	547	1	6		650		127		523
October		107		107	<u>3/</u>			528		521		7		602		116		486
November		57		57	<u>3/</u>			481		476		5		552		94		458
December		45		45	<u>3/</u>			481		476		5		512		99		413

NA = Not available.

1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Aug 31, 2003	Aug 31, 2004	Aug 31, 2005	Sep 30, 2003	Sep 30, 2004	Sep 30, 2005
	Thousand Pounds					
Butter	244,346	160,990	149,568	197,003	132,958	122,944
Natural American Cheese	537,820	561,707	571,886	508,009	547,430	540,667

1/ Total holdings minus Government owned holdings. For more information, see page 9 of this report.

SOURCE: "Cold Storage," Co St 1 (10-05) and "Dairy Products," Da 2-6 (10-05), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

FEDERAL MILK ORDER ADVANCE PRICES, NOVEMBER

Class I Base Price: Under the Federal milk order pricing system, the Class I base price for November 2005 is \$14.56 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$8.48 and the advanced butterfat pricing factor is \$1.8226. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Class II Price Information:** The advanced Class IV skim milk pricing factor is \$7.41. Thus, the Class II skim milk price for November is \$8.11 per cwt., and the Class II nonfat solids price is \$0.9011. **Product Price Averages:** The two-week product price averages for November are: butter \$1.6338, nonfat dry milk \$0.9719, cheese \$1.5205, and dry whey \$0.3055.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <u>1/</u> <u>2/</u>				
Federal Milk Order Marketing Area <u>3/</u>	Order Number	November 2005		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) <u>4/</u>	001	17.81	11.73	1.8551
Appalachian (Charlotte) <u>5/</u>	005	17.66	11.58	1.8536
Southeast (Atlanta) <u>6/</u>	007	17.66	11.58	1.8536
Florida (Tampa) <u>7/</u>	006	18.56	12.48	1.8626
Mideast (Cleveland) <u>8/</u>	033	16.56	10.48	1.8426
Upper Midwest (Chicago) <u>9/</u>	030	16.36	10.28	1.8406
Central (Kansas City) <u>10/</u>	032	16.56	10.48	1.8426
Southwest (Dallas) <u>11/</u>	126	17.56	11.48	1.8526
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	16.91	10.83	1.8461
Pacific Northwest (Seattle) <u>13/</u>	124	16.46	10.38	1.8416
All-Market Average		17.21	11.13	1.8491

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are the major city in the principal pricing point of the markets. 4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25. 5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90. 6/ Class I prices at other cities are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90. 7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30. 8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. 9/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10. 10/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver plus \$0.55. 11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. 12/ Class I price at Las Vegas is minus \$0.35. 13/ Class I prices at other cities are: Portland, same; and Spokane, same.

CONSUMER PRICE INDEX (CPI-U) AND AVERAGE RETAIL PRICES FOR SELECTED PRODUCTS, U.S. CITY AVERAGE ^{1/}

Month and Year	All Food		Dairy Products		Fresh Whole Milk		Cheese		Butter		Meat, Poultry, Fish and Eggs	
	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}	CPI ^{2/}	Pct. Chg. ^{3/}
JULY 2005	190.8	2.1	181.6	-3.2	182.5	-8.6	183.3	-1.8	184.7	-9.8	184.7	0.5
AUGUST 2005	190.9	2.2	182.9	-1.1	183.9	-4.0	183.6	-1.9	181.9	-8.7	184.4	0.4
SEPT. 2005	191.4	2.5	181.8	0.1	183.7	-0.9	182.4	-0.3	187.7	-3.4	185.2	1.0
U.S. City Average Retail Prices												
Month	Whole Milk ^{4/}		Butter ^{5/}		Process Cheese ^{6/}		Natural Cheese ^{7/}		Ice Cream ^{8/}			
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	Dollars											
JULY	3.090	3.479	3.140	3.753	3.895	4.077	4.377	4.559	3.773	4.026		
AUGUST	3.136	3.297	3.206	3.613	3.926	4.113	4.384	4.495	3.796	4.051		
SEPTEMBER	3.133	3.149	3.321	3.624	3.948	4.030	4.321	4.459	3.784	3.968		

^{1/} "CPI Detailed Report," "Consumer Prices: Energy and Food," BLS, U.S. Department of Labor. According to BLS, average prices are best used to measure the price level in a particular month. To measure price change over time, the CPI is more appropriate. ^{2/} The standard reference base period for these indexes is 1982-1984 = 100. ^{3/} Percent change over previous year. ^{4/} Per gallon. ^{5/} Per pound. Grade AA, salted, stick butter. ^{6/} Per pound, any size and type of package. ^{7/} Per pound, cheddar cheese in any size and type of package and variety (sharp, mild, smoked, etc.). ^{8/} Per 1/2 gallon, prepackaged regular.

COMMERCIAL DISAPPEARANCE: TOTAL MILK AND SELECTED DAIRY PRODUCTS—JUNE-AUGUST AND ANNUAL 2004-2005 ^{1/}

Item	Jun.-Aug. 2004	Percent change ^{2/}	Jun.-Aug. 2005	Percent change ^{2/}	Jan.-Aug. 2004	Percent change ^{2/}	Jan.-Aug. 2005	Percent change ^{2/}
	Million Pounds							
MILK								
Production	42,912	0.7	44,835	4.5	115,208	-0.6	118,701	3.5
Marketings	42,631	0.7	44,556	4.5	114,461	-0.6	117,966	3.5
Beginning Commercial Stocks ^{3/}	10,945	-17.7	11,118	1.6	8,333	-15.8	7,154	-14.1
Imports ^{3/}	1,254	7.5	1,066	-15.0	3,682	13.6	3,118	-15.3
Total Supply ^{4/}	54,830	-3.5	56,740	3.5	126,476	-1.4	128,238	1.8
Ending Commercial Stocks ^{3/}	10,733	-13.1	10,463	-2.5	10,733	-13.1	10,463	-2.5
Net Removals ^{3/}	28	-88.9	-3	-110.7	-64	-105.9	-35	-45.3
Commercial Disappearance ^{4/}	44,069	-0.3	46,280	5.0	115,807	0.9	117,810	2.1
SELECTED PRODUCTS ^{5/}								
Butter	312.6	12.2	326.5	4.4	810.7	3.8	808.6	0.2
American Cheese	911.1	0.6	960.2	5.4	2,473.9	3.0	2,493.4	1.2
Other Cheese	1,333.7	0.3	1,402.2	5.1	3,616.0	4.1	3,742.3	3.9
Nonfat Dry Milk	319.5	14.7	334.5	4.7	892.7	51.2	903.4	1.5
Fluid Milk Products ^{6/}	13,041.9	-0.4	13,081.3	0.3	35,927.2	-1.4	35,792.3	0.0

^{1/} Commercial disappearance includes civilian and military purchases of milk and dairy products for domestic and foreign use, but excludes farm household use and USDA donations of dairy products. Disappearance is a residual figure and therefore can be affected by any inaccuracies in estimating milk production, on-farm use, stocks, and imports. ^{2/} From year earlier on a daily average basis. ^{3/} Milk-equivalent, milkfat basis. ^{4/} Totals may not add because of rounding. ^{5/} Commercial disappearance in product pounds. ^{6/} Sales. Estimate based on actual sales in Federal milk order marketing areas and California. These sales figures have not been adjusted for calendar composition. **SOURCE:** Economic Research Service, USDA. Fluid milk products - Agricultural Marketing Service, USDA.

**ANNOUNCED COOPERATIVE CLASS I PRICES FOR SELECTED CITIES IN FEDERAL MILK
ORDERS, NOVEMBER 2005, WITH COMPARISONS 1/**

For November 2005, the all-city average announced cooperative Class I price was \$18.72 per cwt., \$1.63 higher than the Federal milk order Class I price average for these cities. Both the November cooperative Class I price and the November Federal order Class I price were \$.29 higher than the respective October price. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$.15 in Phoenix, AZ, to \$3.00 in Miami, FL. For November 2004, the all-city average announced cooperative Class I price was \$18.30, \$1.48 higher than the Federal order Class I price average for these cities.

City	November 2005		
	Announced Cooperative Class I Price	Federal Milk Order Class I Price	Difference
	Dollars per hundredweight, 3.5% butterfat		
Atlanta, GA	19.59	17.66	1.93
Baltimore, MD	19.36	17.56	1.80
Boston, MA	19.31	17.81	1.50
Charlotte, NC	19.59	17.66	1.93
Chicago, IL	19.10	16.36	2.74
Cincinnati, OH	18.66	16.76	1.90
Cleveland, OH	18.46	16.56	1.90
Dallas, TX	18.26	17.56	0.70
Denver, CO	17.96	17.11	0.85
Des Moines, IA	18.16	16.36	1.80
Detroit, MI	18.25	16.36	1.89
Hartford, CT	19.21	17.71	1.50
Houston, TX	18.86	18.16	0.70
Indianapolis, IN	18.46	16.56	1.90
Kansas City, MO	17.85	16.56	1.29
Louisville, KY	18.69	16.76	1.93
Memphis, TN	19.09	17.36	1.73
Miami, FL	21.86	18.86	3.00
Milwaukee, WI	19.05	16.31	2.74
Minneapolis, MN	18.30	16.26	2.04
New Orleans, LA	19.89	18.16	1.73
Oklahoma City, OK	17.91	17.16	0.75
Omaha, NE	17.91	16.41	1.50
Philadelphia, PA	19.83	17.61	2.22
Phoenix, AZ	17.06	16.91	0.15
Pittsburgh, PA	18.83	16.66	2.17
St. Louis, MO	18.21	16.56	1.65
Seattle, WA	16.88	16.46	0.42
Springfield, MO	17.51	16.76	0.75
Washington, DC	19.36	17.56	1.80
Simple Average	18.72	17.09	1.63

1/ This table contains information obtained from the Class I price announcements sent by the major cooperative in each city market to all handlers who buy milk from them. These over-order prices include charges for various services performed by the cooperative. In some instances, these over-order prices may not include all credits that may be allowed. These prices have not been verified as having been actually paid by handlers.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF OCTOBER 24 - 28, 2005			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/05	SAME PERIOD LAST YEAR	WEEK ENDING 10/21/05	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	-0-	-0-	-0-	-0-	23,073,643	-0-	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	23,073,643	-0-	-0-

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF OCTOBER 24 - 28, 2005 =	0.0	0.0	COMPARABLE PERIOD IN 2004 =	1.0	54.7
CUMULATIVE SINCE OCTOBER 1, 2005 =	0.0	0.0	CUMULATIVE SAME PERIOD LAST YEAR =	5.1	268.6
CUMULATIVE JAN. 1 - OCT. 28, 2005 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2004 =	58.3	3,131.4

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/05 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05
CENTRAL	-0-	-0-	-0-	-0-	-0-	1,331,567	0.0	5.8
WEST	-0-	-0-	-0-	-0-	-0-	20,781,352	0.0	90.1
EAST	-0-	-0-	-0-	-0-	-0-	960,724	0.0	4.1
TOTAL	-0-	-0-	-0-	-0-	-0-	23,073,643	0.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 10/08/05 & Comparable Week 2004

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL		% DAIRY OF ALL	
											WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
2005-Dairy	N.A.	0.7	6.6	2.0	13.8	3.2	0.5	N.A.	14.2	1.7	43.7	1,730.6	45.7	47.4
2004-Dairy	N.A.	0.7	6.9	2.6	16.4	2.8	0.4	N.A.	12.9	2.3	45.8	1,832.4	47.1	46.8
2005-All cows	N.A.	0.7	8.3	10.5	25.7	18.4	10.9	N.A.	16.4	2.3	95.6	3,654.0		
2004-All cows	N.A.	0.7	8.5	13.8	26.7	14.5	10.6	N.A.	15.0	4.9	97.3	3,917.3		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA. 1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	16.14

FEDERAL MILK ORDER CLASS PRICES FOR 2005 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.65	13.79	15.43	14.13	14.80	13.62	13.89	14.44	13.70	14.27	14.56	
II	13.04	13.36	13.25	13.24	12.78	13.06	13.79	13.95	14.35			
III	14.14	14.70	14.08	14.61	13.77	13.92	14.35	13.60	14.30			
IV	12.52	12.74	12.66	12.61	12.20	12.33	13.17	13.44	13.75			

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfm05/mib/cls_prod_cmp_pr.htm